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MICHIGAN HOUSE OF REPRESENTATIVES

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May 26, 2005

Representative Mike Nofs
996 House Office Building
Lansing, MI 48909

Dear Chairman Nofs:

The Subcommittee on Telecommunications & Technology met several times to hear testimony on emerging communications technologies and has concluded those hearings.

Testimony was received from Elanza Corporation, Comcast, SBC on Project Light Speed, The Shpigler Group and Consumers Energy on Broadband Over Power Lines (BPL), and Michigan Public Service Commissioner (MPSC) Laura Chappelle on BPL.

Elanza Technologies demonstrated the ElanzaWeb-Video Phone Design to the committee, which claims to be the world's first web-videophone on a WIN CE 5.0 platform and an 8.4" TFT screen. This phone has multiple, simultaneous functionalities including video, web, e-mail, VOIP, multi-media and phone.

Comcast carefully described the Internet Protocol (IP) technology, and the application of IP technology to transmit voice over an IP-based digital network, known as VOIP - "Voice Over Internet Protocol". It was clearly pointed out that VOIP does not require that the digitized voice travel over the public Internet, although the public Internet is the largest, most used, and best known IP network. Comcast, however, does not use the public Internet for its VOIP service.

SBC provided a demonstration on Project Lightspeed. This project as announced would enable millions of residential customers to access integrated digital TV, superhigh-speed broadband access, and voice over IP (Internet Protocol) services via a new fiber-rich network.

On the topic of Broadband Over Power Lines (BPL), the subcommittee heard from several presenters. The Shpigler Group and Consumers Energy are working on a mid-Michigan pilot program in Grand Ledge and St. Johns. They covered the history and technology of BPL, noting that advances in technology allow for high-speed, broadband communications over medium and low voltage lines which yields potential market opportunities. The utility, in this case Consumers Energy, provides vendors with the "last mile" and "middle mile" segments needed for the service; until this technology developed, generally only the incumbent local exchange provider or the cable company owned access to the

customer's location (the last mile). Consumers Energy is operating as the landlord, with The Shpigler Group renting the lines to provide the service. MPSC Commissioner Laura Chappelle commented on the BPL Task Force formed by the National Association of Regulatory Utility Commissioners (NARUC) and chaired by Commissioner Chappelle.

Technology is changing very rapidly and our state and federal laws need to take this into account for reasons of flexibility. The subcommittee recommendations concerning emerging technologies include:

- Continuing to carefully monitor developing communications technologies and the impact thereof on competition, remaining mindful that existing statutes and regulation may impede development/spread of new technology.
- Advising the Committee that revisions to the Michigan Telecommunications Act avoid excessive regulation that could interfere with potential development and availability of new technologies, with care taken to protect the end-user. Further, advising that revisions be done to accomplish the above and avoid the future need to constantly amend the statute every time a new technological development occurs.